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II. Lease Terms and Conditions

Keywords

A. General

All Federal mineral estate subject to oil and gas leasing, regardless of surface ownership, is subject to the standard TERMS AND lease terms and conditions provided in the lease Form 3100-11 (see Illustration 1). See Manual Section 3101.11 for a discussion of the provisions of the lease form, and Manual Section 3101.12 concerning surface use rights, other SURFACE USE reasonable measures, and nondiscretionary laws affecting oil and gas lease operations.

STANDARD LEASE CONDITIONS

RIGHTS

B. Lease Stipulations

Manual Sections 3101.06C and 3101.13 address the policy and LEASE requirements concerning the use of lease stipulations and the uniform formats for lease stipulations. The contents of the uniform stipulation formats are shown in the illustrations contained in Manual Section 3101. The uniform stipulation formats are to be used by all BLM Field Offices to provide consistency and increased clarity of each specific stipulation required. Performance-based, rather than designed-based, stipulations shall be used. Other SMA's are to be encouraged to also use the uniform stipulation formats. The stipulations imposed by the BLM and other Department of the Interior agencies are appealable by the prospective lessee or other affected parties to the IBLA. The IBLA will normally uphold the BLM's discretion to apply stipulations, provided a stipulation meets the "necessary and justifiable" criteria. A "necessary" stipulation is one that does not duplicate existing laws, regulations, lease terms, Onshore Oil and Gas Orders, or Notices to Lessees. A stipulation is "justifiable" if there are resources, values, uses and/or users identified on the lands contained in the oil and gas lease parcel that, in the absence of such a stipulation, cannot coexist with oil and gas operations, or that cannot be adequately managed and/or accommodated on other lands during the oil and gas operations. Any stipulations required by an SMA other than the BLM or other Department of the Interior agency are appealable by the prospective lessee or other affected parties through the administrative APPEALABLE procedures of that agency (see 43 CFR 3101.7-3(b)). (See Appendix 2 for a listing of pertinent IBLA decisions concerning stipulations.)

STIPULATIONS

BLM/DOI AGENCY **STIPULATIONS** APPEALABLE TO IBLA

NON-BLM/DOI **AGENCY** STIPULATIONS TO THAT SMA

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C. Lease Case File Documentation for Stipulations

STIPULATION DOCUMENTATION

IN LEASE FILE

Keywords

The lease stipulations are to be documented in the lease case file by referencing the appropriate BLM land use plan and/or environmental analysis documents that address the restrictions and stipulations required on the specific lands in each lease parcel. When stipulations are required by another SMA, a copy of the documents received from the SMA also are to be retained in the lease case file. When the IBLA reviews a case, the only information available to it are the documents contained in the official case file and the information provided by the appellant. Therefore, when the BLM makes a leasing decision, including that based on another agency's recommendations, the official case file must contain all of the necessary documentation.

D. Information Notices

The primary purpose of an information notice is to alert the lessee that certain values exist on the lease area that may be required to be addressed in any lease operations. Information notices are a courtesy and serve to give emphasis to requirements that already exist in the terms and conditions of the lease form, laws, regulations, or operational orders. Information notices shall not be used as a basis for denial of lease operations. (See Manual Section 3101.13B.)

INFORMATION NOTICES

BLM MANUAL Rel. 3-308 Supersedes Rel. 3-127 2/2/96